



December 29, 1959

Dear Jim:

We are returning herewith Letter Contract No. BB-375 which has been executed in accordance with your instructions.

At the time the contract is definitized, it is requested that the following paragraph be included as part of the contract:

"There shall be included as allowable indirect costs through overhead, research and development costs as are deemed reasonable in accordance with ASPR XV, Part II, dated November 2, 1959."

We wish to advise that because a go-ahead was withheld on Item 2 the delivery schedule will change and will be based on the date that we are authorized to proceed with this item.

It is further requested we consider this contract as an amendment to BB-300 rather than a separate contract. Because of our increased overhead during our fiscal 1959, we have found ourselves in an overrun position. We feel that this can be absorbed in 1960 by reason of a possible downward trend in our engineering overhead together with reorganization of our assembly department. By making this contract an amendment to BB-300, it would therefore not require additional funding at this time.

Your consideration and reply will be appreciated.

Very truly, yours,

25X1A



Contracts Manager

BB-375 (P. 1)

EDL:bm

Copies 2 & 3

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